GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3800
ANSWERED ON:17.08.2001
AUDIT BY CENTRAL BOARD OF EXCISE AND CUSTOMS
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;GADDE RAMAMOHAN;M.V.V.S MURTHI;RAMSHETH THAKUR;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Excise and Customs has decidedto conduct yearly audit on all the units which are paying one crore Rupees or more as excise duty in a financial year;

(b) if so, the details thereof;

(c) the steps taken by the Government to streamline the audit procedure; and

(d) the procedure followed for auditing the units paying Rs. 20 lakh as excise duty in a financial year?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b): Yes, Sir. The Board has issued instructions in September, 2000 that the units paying duty of Rs.1 crore and above from account current in a financial year will be audited mandatorily by using the modern techniques of auditing introduced in Central Excise called `EA-2000`.

(c): The Government took measures to streamline auditin 1999 where-under new Audit System (EA-2000)was developed by using modern audit techniques and methods. The Central Excise Officers conducting such audits havebeen extensively trained for this purpose all over India. Scientifically prepared Audit Manual, Standard Audit Programme and Working Papers are main features of EA-2000.

(d): As per the instructions issued, audit of units paying duty Rs.10 lakhs and above but not exceeding Rs. 1 crore in a financial year, will be undertaken once in two years. However, a system of selection by using Risk Assessment method, based on assessee`s profile and risk factors will be applied to identify the units to be audited in the first year.